

JIM IRVIN
COMMISSIONER-CHAIRMAN

RENZ D. JENNINGS
COMMISSIONER

CARL J. KUNASEK
COMMISSIONER

NEW



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ARIZONA CORPORATION COMMISSION

RECEIVED
AZ CORP COMMISSION

Dec 18 10 01 AM '98

SECURITIES DIVISION
1000 West Washington, Third Floor
Phoenix, AZ 85007-2996
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DOCUMENT CONTROL

MEMORANDUM

TO: Commissioner-Chairman Jim Irvin
Commissioner Renz D. Jennings
Commissioner Carl J. Kunasek

FROM: Victor Rodarte *VR*
Acting Director of Securities

DATE: December 17, 1998

RE: Crowe & Associates, Inc. (S-03305A-98-0000)

CC: Jack Rose, Executive Secretary & Commissioner-Elect Tony West

Arizona Corporation Commission
DOCKETED

DEC 18 1999

DOCKETED BY

Attached is a proposed Order and Consent fully executed by Crowe & Associates, Inc. Crowe & Associates, Inc. operated an unlicensed Arizona based investment adviser. Crowe & Associates, Inc. provided investment advisory services to at least eight Arizona residents from January 1, 1998 through October 8, 1998 and earned fees of \$4,220. As a result of this technical violation, the attached Order and Consent was negotiated between Crowe & Associates, Inc. and the Arizona Corporation Commission, Securities Division. Crowe & Associates, Inc. is currently licensed in Arizona and has been since October 8, 1998.

Michael A. Crowe, President of Crowe & Associates, Inc. has been a registered representative in Arizona since March 1984 and is currently licensed with Securities America, Inc. Because of Mr. Crowe's registration as a securities salesman, he has a personal exemption from licensure. However, because Crowe & Associates, Inc. is an incorporated entity, it cannot rely upon his personal exemption as a securities salesman to provide investment advisory services. As such, Crowe & Associates, Inc. is required to license as an investment advisory firm in its own right.

Crowe & Associates, Inc. currently provides financial planning, monitoring and selection of other money managers for investment advisory clients. Crowe & Associates, Inc. is engaged in occupations other than giving investment advice i.e. selling securities and insurance products. According to Crowe & Associates, Inc. it has chosen to terminate its license as a licensed

investment adviser at the end of the year and will no longer engage in that business after that date.

Crowe & Associates, Inc. has been completely cooperative in providing information to the Securities Division. The proposed Order and Consent provides for an administrative penalty of \$500.00. The Division believes that this proposed Order and Consent will encourage other investment advisers to ensure proper licensure.

Originator: Dion B. McClellan

1
2 **BEFORE THE ARIZONA CORPORATION COMMISSION**

3 JIM IRVIN
Commissioner-Chairman
4 RENZ D. JENNINGS
Commissioner
5 CARL J. KUNASEK
Commissioner

6 In the matter of the Investment Management)
application of)

DOCKET NO. S-03295A-98-0000

7 CROWE & ASSOCIATES, INC.)
8 2930 E. Camelback Road, Suite 150)
9 Phoenix, Arizona 85016)

DECISION NO. _____

**ORDER ASSESSING ADMINISTRATIVE
PENALTY AND CONSENT TO SAME**

Respondent.)
10

11 I.

12 CROWE & ASSOCIATES, INC. elects to permanently waive its right to a hearing and appeal
13 under Articles 7 and 8 of the Investment Management Act of Arizona (the Act) with respect to this Order
14 Assessing Administrative Penalty and Consent to Same (Order); admits the jurisdiction of the Arizona
15 Corporation Commission (Commission); admits the Findings of Fact and Conclusions of Law contained
16 in this Order; and consents to entry of this Order by the Commission.

17 II.

18 FINDINGS OF FACT

19
20 1. CROWE & ASSOCIATES, INC. ("CROWE"), whose last known address is 2930 E.
21 Camelback Road, Suite 150, Phoenix, Arizona 85016, was at all times relevant hereto conducting
22 business in the State of Arizona.

23 2. CROWE is an investment adviser who was licensed with the Commission from December
24 3, 1996 through December 31, 1997.

25 3. On May 11, 1998, the Division received an application from CROWE to license as an
26 investment adviser.

1 4. During the period of January 1, 1998 to the present, CROWE provided investment
2 advisory services to at least eight (8) clients residing within Arizona. CROWE was paid at least four
3 thousand, two hundred and twenty dollars (\$4,220) in advisory fees from Arizona clients since January 1,
4 1998.

III.

CONCLUSIONS OF LAW

7 1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona
8 Constitution and pursuant to the Act, A.R.S. § 44-3101 et seq.

9 2. At all relevant times, CROWE conducted business as an investment adviser within the
10 meaning of A.R.S. § 44-3101(2).

11 3. At all relevant times, while CROWE conducted business as an investment adviser in the
12 State of Arizona, CROWE was not licensed as an investment adviser in violation of A.R.S. § 44-3151.

13 4. CROWE is subject to an Order of Administrative Penalty pursuant to A.R.S. § 44-3296
14 because they violated the provisions of A.R.S. § 44-3151.

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IV.

ORDER

THEREFORE, on the basis of the Findings of Fact and Conclusions of Law contained in this Order, The Commission finds the following Order is appropriate, in the public interest, and necessary for the protection of investors:

1. IT IS ORDERED that, pursuant to A.R.S. § 44-3296, CROWE shall pay an administrative penalty in the amount of five hundred dollars (\$500) payable upon entry of this Order.

2. IT IS FURTHER ORDERED that this Order shall take effect immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

COMMISSIONER-CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JACK ROSE, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of _____, 1999.

JACK ROSE
Executive Secretary

DISSENT

1 CONSENT TO ENTRY OF ORDER BY THE COMMISSION
 2 AND WAIVER OF HEARING

3 CROWE & ASSOCIATES, INC. ("CROWE") acknowledges that it has been fully
 4 advised of its right to a hearing to present evidence and call witnesses. CROWE waives all hearing
 5 procedures and right to appeal provided by the Securities Act of Arizona with respect to this Order to
 6 Cease and Desist.

7 CROWE admits the jurisdiction of the Arizona Corporation Commission with respect to
 8 matters set forth in this Order and Consent.

9 CROWE admits the Findings of Fact and Conclusions of Law contained in this Order and
 10 Consent.

11 CROWE consents to the entry of this Order and Consent.

12 CROWE states that its entry into this Consent to Entry of Order is a voluntary act and that
 13 no promise was made nor coercion used to induce them to enter into it.
 14

15 CROWE understands that this Consent to Entry of Order does not preclude the
 16 Commission or any other agency, officer of this state or its subdivision, from instituting other civil or
 17 criminal proceedings now or in the future.

18 *Michael A. Gou*
 19 CROWE & ASSOCIATES, INC.

20 SUBSCRIBED AND SWORN TO BEFORE me this 7th day of December
 21 1998.

22 *Deborah A. Bloomquist*
 23 NOTARY PUBLIC
 24

25 My Commission Expires:

